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November 12, 1993

BY HAND

The Honorable Henry B. Gonzalez  
Chairman  
Committee on Banking, Finance  
and Urban Affairs  
2129 Rayburn House Office Building  
Washington, D.C. 20515-6050

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Banking, Finance & Urban Affairs Committee

Dear Chairman Gonzalez:

On behalf of Dr. Henry Kissinger, I am writing to ask that you correct the record with respect to statements made during the House Banking Committee's November 9 hearing on the BNL-Atlanta loans to Iraq.

1. Mr. Drogoul made a number of statements in response to Committee questions about his "knowledge of BNL's relationship with Kissinger Associates." The limited relationships of Dr. Kissinger and Kissinger Associates with BNL are fully described in my letter of May 12, 1992, and Dr. Kissinger's earlier letter to the Committee dated August 30, 1991, printed at page H2700 of the Congressional Record for April 28, 1992. As set forth in

these letters, BNL was a consulting client of Kissinger Associates from 1986 to 1988, and Dr. Kissinger served as a member of BNL's International Advisory Board from 1985 to 1991, together with other well-known international leaders such as Pierre Trudeau, Raymond Barre, and David Rockefeller. However, neither Dr. Kissinger nor Kissinger Associates ever advised or assisted BNL in connection with any loan or other business relating to Iraq.

Contrary to Mr. Drogoul's testimony, Dr. Kissinger was not "the architect of United States foreign policy toward Iraq" at any time after he left public office in 1977, a decade before the period covered by Mr. Drogoul's testimony. Nor was he the "architect of these loans as they related to U.S. foreign policy." Dr. Kissinger played no part in the formulation of U.S. foreign policy toward Iraq during the period of the BNL loans. Neither Dr. Kissinger nor Kissinger Associates had knowledge of or involvement in any BNL loan relating to Iraq.

Mr. Drogoul also stated that "the people at Kissinger Associates were somehow assisting clients of Iraq in furthering and developing business." The reference to "clients of Iraq" is obscure, but even if it refers to clients of Kissinger Associates, the statement is untrue. KAI is a geopolitical

consulting firm. It advises corporate clients regarding economic and geopolitical trends around the world. Although KAI has occasionally provided general advice to its clients about Iraq's comparative political stability and its role in the region, KAI has never advised or assisted any client in developing business in Iraq or obtaining loans for that purpose.

2. You referred to a letter I had written to the Committee as Dr. Kissinger's counsel relating to documents published by the Committee concerning Dr. Kissinger's past membership on the International Advisory Board of BNL. You described my letter as "protesting and stating that he [Dr. Kissinger] at no time as a member ever discussed Iraq". You then referred to minutes of an International Advisory Board meeting in Madrid on May 4-5, 1987, showing that Dr. Kissinger had discussed the Iran-Iraq War and its strategic and political implications.

My letter to you dated May 12, 1992 contains no statement remotely resembling your characterization of it. It contains no statement whatsoever about the substance of any discussions at the International Advisory Board. While it is true that Dr. Kissinger did engage in discussions of the international political and strategic situation at Advisory Board meetings, including the discussion of the Iran-Iraq War you referred to,

nothing in my letter can be read as suggesting the contrary.

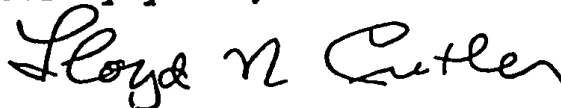
As Dr. Kissinger has previously told the Committee, the purpose of BNL's Advisory Board -- like similar advisory boards for other multinational companies -- was to present the views of experienced world leaders on political and economic developments around the world. Dr. Kissinger's general comments regarding the Iran-Iraq War were no different from remarks he made in other fora. The Advisory Board was not informed about and did not provide advice regarding BNL's banking activities in particular countries. The Advisory Board minutes show no discussion of BNL loans relating to Iraq or any other country, and there were no such discussions.

The activities of BNL-Atlanta and their relationship if any to U.S. foreign policy vis-a-vis Iraq in the 1980's and 1990's may be worthy subjects of inquiry by your Committee, but as the record before the Committee plainly shows, Dr. Kissinger had no involvement whatsoever in either of these subjects. Throughout this period, and well before Iraq's invasion of Kuwait, he was a consistent public critic of Saddam Hussein, and did nothing to assist him. The allegations made in the Committee's November 9 hearing concerning Dr. Kissinger and Kissinger Associates are totally untrue.

The Honorable Henry B. Gonzalez  
November 12, 1993  
Page 5

I respectfully request that this letter be made a part of  
the hearing record.

Sincerely yours,

A handwritten signature in cursive script that reads "Lloyd N. Cutler". The signature is written in dark ink and is positioned above the printed name.

Lloyd N. Cutler

cc: The Honorable James A. Leach  
Ranking Minority Member